

STATEMENT OF CONSIDERATIONS

ADVANCE CLASS WAIVER OF PATENT RIGHTS FOR TECHNOLOGY
DEVELOPED UNDER DOE FUNDING AGREEMENTS RELATING TO DOE'S
TECHNOLOGY VISION 2020 PROGRAM; DOE SOLICITATION NO. DE-SC02-
99CH10989; W(C)99-008; CH-1020

The Department of Energy (DOE), through its Office of Industrial Technologies (OIT), anticipates providing federal assistance for research and development projects to enhance the economic competitiveness of the chemical industry through significant benefits in energy and environmental quality. It is anticipated that 12-15 prime contracts will be awarded under this program which is expected to extend over approximately a three year period. As set out in the following, this advance class waiver is intended to apply to inventions of all current and future contractors and subcontractors participating in this program who agree to the terms of the waiver, except participants obtaining title pursuant to P.L. 96-517, as amended, and National Laboratories.

OIT's solicitation for this program will be the second in a series under its Technology Vision 2020 Program. Under its first solicitation, 24 research projects were awarded over a two-year period. The research, development and demonstration topics for the awards contemplated under the second solicitation were developed by OIT in cooperation with The Council for Chemical Research. Those topics include chemical plant materials construction, computational chemistry, catalysis, separations and alternative reaction media, conditions and raw materials, and related technologies.

An advance class waiver of patent rights, W(C)-98-002, CH-0942, was granted on February 27, 1998 for the work under OIT's first solicitation noted above. While it is recommended that essentially the same terms and conditions apply to this class waiver, given the on-going development and expansion of the topical areas being considered under the Technology Vision 2020 Program, and because this solicitation requires greater cost-sharing than in the first solicitation, a separate advance class waiver of patent rights should be issued for the current solicitation so that there is no question concerning the nature and scope of the waived patent rights.

As is the case of the first solicitation, teaming arrangements among participants are anticipated and encouraged. Each team will be composed of a prime contractor and one or more subcontractors and are expected to have two or more chemical industry companies as cost sharing sponsors. The teams are also expected to develop an appropriate allocation of patent rights among the participants to facilitate the commercial development of their respective technologies developed under this program.

It is the purpose of this class waiver to vest title to the parties' inventions made under this program with the team members in a fashion enabling them to expediently commercialize the various technologies. Accordingly, DOE will waive the Government's title to subject inventions under each topic, other than inventions made by Bayh-Dole participants pursuant to P.L. 96-517, as amended, or National Laboratories, to the respective prime contractor or other entities as may be designated by the parties agreeing to the terms of this waiver in each team. Since the Program obligates the prime contractor for each team to provide at least 50 percent cost sharing for research, development and demonstration projects, it is expected that patent rights will be allocated among the participants on the basis of cost sharing as well as the other equities among the various team members.

This advance class waiver of the Government's rights in inventions is subject to the usual patent waiver and background data licensing provisions. The terms of the advance patent waiver include the statutory Government license, march-in rights, and Preference for U.S. Industry provisions set out in 35 U.S.C. 202-204. The advanced patent waiver also includes the attached U.S. Competitiveness clause which requires that products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should be Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.


The grant of this class waiver is not expected to result in adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the chemical industry in the United States, and in particular, broaden the base of U.S. manufacturers as contemplated by the Technology Vision 2020 Program. DOE has the right to require reports of the utilization or the efforts at utilization that are being made for the waived inventions. If a participant which has obtained title in not making reasonable efforts to utilize a waived invention, DOE can exercise its march-in rights and require licensing of the background inventions and data.

This advanced class waiver shall apply to each of the respective teaming arrangements upon the Contracting Officer's written notice to Field Patent Counsel that the prime contractor is obligated to provide at least 50 percent cost sharing for research, development and demonstration projects, and shall remain in effect for so long as such cost sharing is maintained, in aggregate, over the term of the agreement.

In addition to the above, all participants under this and follow-on solicitations, other than participants which are domestic small businesses or non-profit organizations under P.L. 96-517, as amended, or National Laboratories, shall give DOE written notice of their acceptance of the terms and conditions of this class waiver prior to entering into any agreement incorporating the terms of this waiver. Except as otherwise specifically approved by Field Patent Counsel, a participant's acceptance of an agreement under this program, at any tier, shall constitute such participant's notice to DOE that it is aware of its right to seek a waiver independently of patent rights but elects to accept the terms and conditions of this class waiver.

In the event a participant does not participate in subsequent phases of this program, the prime contractor or other entity, as the remaining participants in such project may determine, shall retain as a minimum a royalty-free, nonexclusive license throughout the world, with the right to grant sublicenses in each subject invention held by such participant pursuant to this class waiver, except as otherwise approved by DOE Field Patent Counsel.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's statutory waiver policy, all of which have been considered, it has been determined that this class waiver as set forth above will best serve the interest of the United States and the general public. It is recommended that the waiver be granted.


Thomas G. Anderson
Assistant Chief Counsel
Office of Intellectual Property Law

Date

2/3/00


Joy A. Hwang
Patent Attorney
Office of Intellectual Property Law

Date

4 Feb 2000

Based upon the foregoing Statement of Considerations, it is determined that the interests of the United States and the general public will best be served by a waiver of United States and foreign patent rights as set forth herein and, therefore, the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:


Marsha Quirn
Acting Director
Office of Industrial Strategies
EE-21 FORS

Date

June 26, 2000

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for Technology
and Intellectual Property

Date

6-28-00

WAIVER ACTION - ABSTRACT

REQUESTOR: CLASS WAIVER
DE-SC02-99CH10989

CONTRACT SCOPE OF WORK: Support chemical industries to increase energy efficiency, reduce waste and increase productivity through research and development projects.

RATIONAL FOR DECISION: Granting of the waiver will allow 12-15 teams of contractors to develop plants which demonstrate significant benefits in increased energy efficiency and environmental quality.

DISPOSITION:

U.S. COMPETITIVENESS

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.